

**31A-27a-304 Termination of rehabilitation.**

- (1)
  - (a) The rehabilitator may move for an order of liquidation whenever the rehabilitator believes further attempts to rehabilitate an insurer would:
    - (i) substantially increase the risk of loss to creditors, policyholders, or the public; or
    - (ii) be futile.
  - (b) In accordance with Section 31A-27a-305, the rehabilitator or the rehabilitator's designated representative shall coordinate with an affected guaranty association and any national association of guaranty associations to plan for transition to liquidation.
- (2) The rehabilitator shall petition the receivership court for an order of liquidation or seek an order, on good cause shown, for a longer suspension period if:
  - (a) the payment of a policy obligation is suspended in substantial part for a period of six months at any time after the appointment of the rehabilitator; and
  - (b) the rehabilitator has not filed an application for approval of a plan under Section 31A-27a-303.
- (3)
  - (a) The receivership court may enter an order terminating rehabilitation of an insurer:
    - (i) on petition from the rehabilitator, which may be made at any time;
    - (ii) on petition from the directors of the insurer, which may be made at any time; or
    - (iii) on the receivership court's own motion.
  - (b) Subject to Section 31A-27a-801, if the receivership court finds that rehabilitation is accomplished and that grounds for rehabilitation under Section 31A-27a-207 no longer exist, the receivership court shall order that the insurer be restored to:
    - (i) title and possession of its property; and
    - (ii) the control of the business.

Enacted by Chapter 309, 2007 General Session